

Message Text

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ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01 AGR-05 /087 W

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R 160710Z DEC 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 4876

INFO AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION GENEVA

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GENEVA FOR ILO

1. NATIONAL COUNCIL OF TRADE UNIONS (SZOT) HELD ITS 23RD NATIONAL CONGRESS DEC 8-12 IN BUDAPEST. DELEGATES LISTENED TO FIVE DAYS OF SPEECHS, MAINLY BY HUNGARIAN OFFICIALS (E.G. GASPAS, BISZKU, LAZAR, ETC.), BUT INCLUDING SEVERAL FOREIGN DELEGATES.

2. KEYNOTE ADDRESS WAS DELIVERED DEC 8 BY SZOT SECRETARY-GENERAL SANDOR GASPAS WHO TOLD TRADE UNION MEMBERS THAT DIFFICULT TIMES WERE AHEAD AND THAT MORE HARD WORK -- "SOCIALIST LABOR DISCIPLINE" -- AND INCREASED PRODUCTIVITY WERE NEEDED. GASPAS SUPPORTED GOH'S 1976-80 FIVE-YEAR PLAN WHICH CONTAINS SMALLER WAGE INCREASES, COUPLED WITH HIGHER PRICES FOR CONSUMER GOODS UNTIL PRODUCTIVITY CATCHES UP. HE DID CALL FOR GREATER TRADE UNION PARTICIPATION IN MONITORING PRICE INCREASES SO THAT REAL INCOME DOES NOT DECLINE AND IN DECIDING HOW

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ENTERPRISE WAGE FUNDS ARE DIVIDED UP. GASPAS SUPPORTED

REDUCTION OF OVERTIME WORK, LESS "MOONLIGHTING", AND HIGHER THAN AVERAGE EARNINGS FOR WORKERS IN ENTERPRISES OF GREATER IMPORTANCE TO ECONOMY.

3. ON INTERNATIONAL ISSUES GASPAR CALLED FOR GREATER SOLIDARITY WITH WORKERS IN CAPITALIST COUNTRIES "WHO ARE SUFFERING FROM GROWING INSECURITY, WORSENING FINANCIAL AND ECONOMIC CRISES AND INSTABILITY OF LIVING CONDITIONS". HE WELCOMED NEW DIALOGUE AND RAPPROCHMENT WITH EUROPEAN TRADE UNIONS BUT CHARGED THAT, IN CONTRAST TO EUROPEANS, U.S. UNIONS ARE TRYING "TO PRESERVE CONDITIONS OF COLD WAR, ANTI-SOCIALISM AND ANTI-COMMUNISM AND ANTAGONISM BETWEEN WORKER ORGANIZATIONS".

4. DEPUTY PRIME MINISTER LAZAR ADDRESSED TRADE UNION CONGRESS ON LAST DAY OF SESSION. INTER ALIA, LAZAR (A) DECLARED THAT, AS IN THE PAST, GOVERNMENT CANNOT DO WITHOUT SUPPORT OF TRADE UNIONS IN IMPLEMENTATION OF GOVERNMENT TASKS; (B) OBSERVED THAT IN PLANNING FOR FUTURE "WE MUST TAKE INTO ACCOUNT EQUALLY OUR SUCCESSES, TASKS STILL AWAITING SOLUTION, AND NEW REQUIREMENTS PLACED BEFORE US BY NECESSITIES OF SOCIAL ECONOMIC DEVELOPMENT;" (C) TICKED OFF NUMBER OF AREAS IN WHICH HE CLAIMED GOVERNMENT SUCCESS IN MODERNIZING PRODUCTION, E.G. COMPUTER TECHNOLOGY, PETROCHEMICALS, AGRICULTURAL PRODUCTION; AND (D) SIGNIFICANTLY, UNDERSCORED THAT HUNGARY HAS CONSIDERABLE WAY TO GO IN "IMPROVING PRODUCTION STRUCTURE, RAISING WORK PRODUCTIVITY, INCREASING PRODUCTION ORGANIZATION, MAKING UTILIZATION OF ENERGY AND MATERIALS MORE ECONOMIC, IMPROVING INVESTMENT WORK AND DEEPENING INTERNATIONAL COOPERATION". ALL THIS LATTER, HE SAID, INDICATES THAT EFFICIENCY OF MANAGEMENT HAS IMPROVED LESS THAN IT SHOULD HAVE, WHICH HAS "PLAYED MORE THAN A SLIGHT ROLE IN THE SIGNIFICANT WORSENING THAT HAS OCCURRED IN THE BALANCE OF OUR NATIONAL ECONOMY IN THE PAST TWO YEARS DUE TO UNFAVORABLE EXTERNAL ECONOMIC EFFECTS". HE APPEALED FOR MORE VIGOROUS ACCELERATION OF GROWTH OF PRODUCTION EFFICIENCY WHICH LIMITED OFFICIAL USE

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HE SAID "REQUIRES MORE DISCIPLINED, PRODUCTIVE, ECONOMIC, AND MORE SENSIBLE MANAGEMENT". LAZAR NOTED THAT WHILE ON ONE HAND GOVERNMENT INTENDS TO ENFORCE CENTRAL DECISION MORE RESOLUTELY, ON OTHER HAND "EXCESSIVE REGULATION IS NOT OUR INTENTION", HE SAID, "FOR THERE IS A GREAT NEED FOR INDEPENDENT INITIATIVE".

5. FOREIGN PARTICIPATION WAS NOT PARTICULARLY NOTEWORTHY AND GENERALLY CAME FROM COMMUNIST UNIONS OR THEIR SUPPORTERS. DGB SECRETARY-GENERAL VETTE, HOWEVER, DELIVERED SOBER ADDRESS CONCERNING NORMALIZATION OF EAST-WEST TRADE UNION RELATIONS, OUTLINING IN PROCESS OBLIGATIONS BOTH SIDES MUST ASSUME IF TRADE UNION DETENTE IS TO CONTINUE.

6. COMMENT: GASPAR'S SPEECH, WHILE HEAVILY LADEN WITH TALK ABOUT RIGHTS OF WORKERS AND NEED TO IMPROVE LIVING STANDARDS, SOUNDED VERY MUCH LIKE AN ADDRESS BY A MANAGEMENT REPRESENTATIVE. HEAVY EMPHASIS WAS GIVEN TO IMPROVED LABOR PRODUCTIVITY, ON NEED FOR WORKER DISCIPLINE, AND ACCEPTANCE OF GOVERNMENT'S PRICE AND WAGE POLICIES. NONE OF GASPAR'S COMMENTS ON WORK PLACE DEMOCRACY OR TRADE UNION PARTICIPATION IN MANAGEMENT DECISIONS CONTAINED ANYTHING NEW, TENDING TO SUPPORT EMBASSY'S VIEW THAT HSWP IS NOT TOO INTERESTED IN ALLOWING MORE WORKER PARTICIPATION AT A TIME OF GREATER ECONOMIC UNCERTAINTY.
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